

More Americans Go North for Drugs

50-Plus Consumers Find Price Relief in Canada; Internet Fuels the Trend

By Patricia Barry

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Just a few years ago, they took the bus to Canada—mostly older Americans from northern states who knew that filling prescriptions at Canadian pharmacies could save them big money. But now people from all over the country are doing it, too—by mail order via the Internet.

An estimated 1 million Americans use this cross-border pipeline—which many regard as a lifeline—to buy medicines at substantially lower prices than they can at home. The trickle has become a torrent, and the number of customers increases every day.

That volume of traffic has intensified debate on the legal and safety issues of buying prescription drugs by mail from Canada.

And it has prompted retaliation. One major pharmaceutical manufacturer, GlaxoSmithKline, has now stopped supplying its products to Canadian mail-order pharmacies that sell to Americans—an action widely regarded as a trial balloon for other drugmakers wanting to halt the trade.

For many people already buying drugs from Canada, Glaxo's action came as something akin to a declaration of war. Older Americans staged protests in several cities and began boycotting the company's nonprescription products. A consortium of consumer groups, in a full-page ad in *The New York Times*, accused Glaxo of cutting off vital supplies.

"People are terribly angry," says Peter Wyckoff, director of the Minnesota Senior Federation, a non-profit group that pioneered sending buses to Canada and now runs a mail-order service. "People are forced to buy drugs out of Canada because of inordinately high prices in the United States."

But the Food and Drug Administration (FDA), the federal agency that oversees prescription drugs, and the U.S. Customs Service say that the practice is illegal and may be unsafe.

So what are consumers to do? In a special investigation, the AARP Bulletin examines the differences in drug prices north and south of the border and the legal and safety issues involved in buying drugs from Canada.

PRICE DIFFERENCES

Pharmaceutical prices are usually (though not always) much lower in Canada than here, even for American-made drugs. This is mainly because Canada, like most other Western governments, regulates drug prices, whereas the United States does not.

Sometimes lower-cost generic versions of brand name drugs come to market more quickly in Canada because of different patent laws. The Canadian generic of the breast cancer drug tamoxifen, for example, used to cost one-tenth of the U.S. brand before an American generic was marketed, and still costs far less.

Lower Canadian prices often provide the only affordable option for Americans without drug coverage who do not qualify for low-income programs but cannot pay top dollar for medications.

Meredith Behrens, of Ardenvoir, Wash., lost her employer coverage when she retired at age 65. Taking Lipitor to reduce cholesterol, she found it "so expensive" that she cut back her dosage. "And my cholesterol level went up immediately," she says. "That was not a wise thing to do." Buying by mail from Canada, even with shipping costs, cut her outlay by 42 percent.

Sandra Barron, of Silver Spring, Md., used to spend a third of her monthly Social Security check on medications at the cheapest local pharmacy she could find. But last year, she says, "I discovered Canada. My drug costs went down from \$430 to \$160 a month. That's an enormous difference." She is saving more than \$3,240 a year, or more than 60 percent.

Canadian mail-order pharmacies do not supply all medications. Typically they focus on long-term maintenance drugs—most often American-made—that older people commonly use. Even among these pharmacies, prices vary a good deal, and so far there is no website that allows consumers to compare them.

This is one reason why the Minnesota Senior Federation (MSF) formed its Prescription Drug Information Center, a program to help Americans of all ages get the best possible deal along with quality protections. During a seven-month pilot project, it vetted, tested and negotiated with a licensed Toronto pharmacy that agreed to cut its professional fees to provide even deeper discounts. This resulted in "the first consumer-negotiated rates to come out of Canada," Wyckoff says.

IS IT LEGAL?

A 1987 law, written before Internet pharmacies existed, makes it illegal to import prescription drugs, whether made in America or not.

In practice, the FDA and U.S. Customs have long turned a blind eye to people returning from abroad with up to a 90-day supply for their own use. And although in recent years both agencies have occasionally intercepted mail-order shipments from Canada, they have never prosecuted an American consumer. They simply haven't the manpower, they say, to enforce the law in a traffic that generates millions of packages a year.

But last month the FDA began taking a tougher line. It warned that health plans and other groups that "aid and abet" the importation of medications from Canada could be found "criminally liable." Although the FDA says it reserves the right to go after individuals, it also says that "our highest enforcement priority would not be actions against consumers."

Some insurers—including Humana Inc., United HealthCare Insurance Co., Anthem and Premier Blue Cross—have for years reimbursed for drugs purchased abroad for the convenience of travelers. (United HealthCare has contracts with AARP to provide health-related insurance products and services to members.)

Wyckoff of the MSF says the FDA's implied threat to close down groups like his "doesn't change anything legally. This is a gray area of law we're trying to get clarified."

Seeking to change the situation, Congress passed a law in 2000 that allowed American-made medications to be reimported from abroad. It was not implemented—because, then-President Clinton explained, the final wording was "so full of loopholes" it could guarantee neither patient safety nor lowered prices.

Another bill passed the Senate last year but died in the House. This year, Senate Democrats have included reimportation in their bill to add drug coverage to Medicare.

Taking a different tack, Rep. Bernie Sanders, I-Vt., is directly opposing the Glaxo ban. He has sponsored a bill that would make it illegal for any drugmaker to prevent Americans buying drugs from Canada.

"I'm outraged," he says, "that a huge company like Glaxo, which had profits last year of almost \$10 billion and pays its CEO over \$20 million a year, is trying to make it impossible for Americans to get affordable medicines from Canada."

While the law stays unchanged, and safety concerns remain, AARP says it does not encourage people to buy drugs from Canada. "However," says AARP

Executive Director Bill Novelli, "it is a national embarrassment when Americans must [go to other countries] in search of medications they need at prices they can afford."

Meanwhile, many consumers pay little attention to the legalities of importing drugs. Asked whether she'd still do it even if the trade was declared flatly illegal, Sandra Barron says emphatically: "Yep, yep, yep."

IS IT SAFE?

Speaking at a Senate hearing last year, FDA senior associate commissioner William Hubbard said that "importing prescription drugs for personal use is a potentially dangerous practice."

He and other witnesses gave examples of counterfeit, contaminated and otherwise harmful prescription drugs seized in the mail. Some originated from places like Southeast Asia—a notorious producer of fake "lifestyle" drugs like Viagra—and others from scam operations within the United States. None of those cited came from Canada.

"With a million Americans buying from Canada, I've not heard of one instance of impure drugs," says Sanders. Wyckoff and others who have worked directly with thousands of such customers say the same.

That is not to say it couldn't happen. Wherever money is to be made, abuse will likely occur. As Hubbard pointed out, plenty of Internet sites already offer medications without requiring a doctor's written prescription—a clear violation of sound medical practice.

But defenders of the Canadian trade say that the whole "safety" issue has become muddled because its critics do not distinguish the exploiters from reputable services run by licensed Canadian pharmacies.

"The drug companies would have you believe we're all renegades," says Andy Troszok, who runs an online pharmacy out of Calgary, Alberta. "But we are licensed pharmacists and professionals, and patient safety is our paramount concern," he says, referring to member pharmacies of the Canadian International Pharmacy Association (CIPA), a new group that he says is setting standards for the reputable side of the Internet trade.

A key question is how drugs sold in Canada measure up to those sold here. In a 2001 official response to questions by Sen. Byron Dorgan, D-N.D., the Congressional Research Service confirmed that Canadian authorities regulate the quality of medications manufactured and sold there as rigorously as the FDA does in the United States.

Troszok and many consumer advocates also argue that the problem of Americans not being able to afford drugs at home is in itself a safety issue. "If we enable them to take their medications, aren't we enhancing their safety?" Troszok asks.

He explained CIPA's standards at a recent "fact-finding" meeting in Ottawa attended by FDA officials, Canadian government regulators and representatives from the drug and pharmacy industries.

"An important point I put to the FDA," he says, "was that if our business is shut down in Canada, where will consumers go? To other countries that don't have the same level of regulation? And then will they have to deal with counterfeit medications from operations that are not legitimate?"

Though Glaxo said it imposed its ban "in the interests of patient safety," older Americans demonstrating outside the company's headquarters in Philadelphia accused it of being motivated by "corporate greed" in trying to cut off a pipeline on which so many Americans depend.

BETTER STANDARDS NEEDED

Nonetheless, at present the FDA is correct in saying that people buy drugs from abroad "at their own risk" in terms of safety. While consumers can take some steps to avoid scams [see [How to Assess Canadian Internet Pharmacies](#)], calls are increasing for more regulation of all prescription mail-order businesses, whether they operate from abroad or within the United States.

One new group, the Internet Mail-Order Pharmacy Accreditation Commission (IMPAC), is developing a rigorous system of quality standards for American, Canadian and Mexican mail-order pharmacies. It is run by doctors and pharmacists from all three countries.

IMPAC also aims to produce optical seals that cannot be counterfeited. Affixed to mailed drug packages, they would allow customs officers to see signs of tampering at a glance. Only mail-order pharmacies that meet IMPAC standards could use the seals.

IMPAC is the brainchild of Elizabeth Wenner, until recently president of the United Health Alliance in Vermont, a nonprofit physicians' group that runs MedicineAssist, a mail-order program for consumers to fill prescriptions in Canada.

The new system would reassure patients and take pressure off government regulators, Wenner says. "If quality is really the issue," she adds, "then let's do it."